

Agenda Date: November 9, 2005
Item Number: B1

Docket: TC-051559
Company Name: Shuttle Express, Inc.
C-975

Staff: Layne Demas, Transportation Program Staff

Recommendation:

Allow the tariff revisions filed by Shuttle Express, Inc., in Docket TC-051559 to become effective November 12, 2005.

Discussion:

On October 12, 2005, Shuttle Express, Inc. (Shuttle), filed revisions to its tariff with an effective date of November 12, 2005. Shuttle has proposed to increase the fares for its door-to-door service by \$3 per reservation. The filing will generate approximately \$1,087,155 (8.71 percent). The filing is an update from a previous increase effective April 14, 2005, in Docket TC-050371. In that filing, the proposed rates generated a projected 98.8% operating ratio. The instant filing seeks to recover additional wages to the drivers and to recover the revenue requirement shortfall from the previous case.

Shuttle provides door-to-door airporter service in Snohomish, King, and Pierce counties and scheduled service in Snohomish and King counties.

In his October 18, 2005, letter, John Rowley, Chief Operating Officer / General Manager, stated:

We would like to add a comment page to our recent submittal for our fare increase. We find it necessary to file at this time because our labor costs have risen dramatically. We had hoped to have gained approval from the commission for the use of Owner Operators by this time.

We would also like to make it clear that when the commissioners approve our Owner Operator direction, we will reduce our fares because we feel we will potentially lose riders with the requested increase.

Staff has worked with Shuttle Express over the past nine months regarding its proposal to change the way it conducts business and has consistently advised Shuttle Express that it can use "owner operators." Shuttle Express proposes to use "independent contractors," not "owner operators." Staff concluded the latest version of Shuttle Express's proposed "Owner-Operator Agreement," constitutes a lease of Shuttle Express's certificate or other carrier property, which requires prior Commission approval, and requires the "independent-contractor" drivers to obtain auto transportation certificates under RCW 81.68.010(3) and .040. Staff also advised Shuttle Express that it could request a declaratory ruling by the Commission about the legality of the proposed arrangement, file an application to lease its certificate authority and a petition to lease other properties under the terms of the proposed agreement, or seek a change in the statutes.

Staff therefore recommends that the proposed increase in Docket TC-051559 be allowed with an effective date of November 12, 2005.